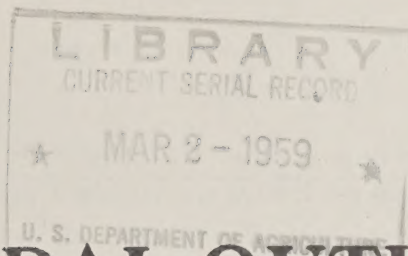


Reserve
1.941
58Ag82



FOR RELEASE
OCTOBER 21, P.M.

the AGRICULTURAL OUTLOOK DIGEST

AGRICULTURAL MARKETING SERVICE, U.S.D.A.

WASHINGTON, D. C.

AMS

AOD-46 OCTOBER 1958

Favorable growing conditions pushed prospective crop production even higher during September.

Grains are leading the way to a new record all-crop total. Last month, corn prospects improved 3%, sorghum grains 5%...both to new highs. Adding in a record barley crop and an above average oats crop pushes the feed grain total 8% above last year's record. This years record wheat crop is 53% above 1957.

It is also a banner year for oilseeds. Soybean prospects rose 2% last month to a record 573 million bushels. Flaxseed and peanuts also improved but cottonseed slipped. Total oilseed tonnage is 18% above last year's record.

Running counter to the general trend in September were cotton, late summer potatoes, and apples.

Crop production index is now up to 117 compared with 1957's record 106. Yield per acre index is 142 (1947-49 = 100) compared with 127 last year.

ECONOMIC CONDITIONS. General improvement has continued this fall. Rising wage and salary payments boosted consumer income slightly above a year earlier in September. Nonfarm employment was up more than seasonally. Retail sales declined a little from August to September. Construction activity has increased in each of the last 4 months. Factory production is 9 percent above the April low but still running 5 percent below a year ago.

Income in agriculture also continues above last year. Figures on cash receipts from sales of farm products for the first three-quarters of 1958 shown an 11% gain over the same months of 1957. Prices averaged 6% higher while the volume of marketings was up 5%.

LIVESTOCK. Slaughter of cattle off grass continues to run below a year earlier. This has pulled total slaughter below 1957, despite larger marketings of fed animals. Feeder cattle prices are expected to remain at about recent levels this winter.

Hog slaughter is increasing seasonally and will average about the same this fall as last.

DAIRY. Farmers' prices for milk and butterfat have risen seasonally but remain a little below last year. Production continues a little under 1957 levels.

EGGS. Prices are declining seasonally and are likely to stay below a year earlier the next 6 months. Compared with 1957, the laying flock is increasing and the rate of lay per bird is running higher.

BROILERS. Marketings will continue above 1957 the rest of the year. Prices have dropped below year earlier levels and little recovery is likely the next few months when demand will be seasonally low.

SOYBEANS. Prices to farmers probably will drop a little below the loan as the record crop is harvested. They're likely to rise later in the season but are not expected to exceed the loan level very much during the marketing year.

FLAXSEED. Farmers are producing 55% more than last year's short crop. Production will probably exceed commercial use by about one-third and prices probably will average near the loan level.

FEED. Corn and sorghum grain prices have declined with harvest of the big 1958 crops. Prices for corn probably will hit their seasonal low earlier and recovery is likely to be more rapid than last year when high moisture delayed marketings.

WHEAT. Slow marketings are the main reason for the advance in prices the last month. Prices in most markets now compare with the loan about the same way they did at this time last year. Main exception is white wheat in the Pacific Northwest where prices last year were high compared with the loan.

CITRUS FRUIT. Shipments of new crop oranges and grapefruit started several weeks later this year than last. The early and midseason crop of oranges in prospect is 2% larger than last year; the tangerine crop is about double the light 1957-58 production; while the grapefruit crop (excluding the California summer crop) is up about 7%.

Stocks of Florida frozen orange concentrate this fall are much smaller than a year earlier. Because of the delayed maturity of Florida crop, canning and freezing will start later than usual.

PROCESSED VEGETABLES. Supplies are expected to be heavy until mid-1959. Canned and frozen stocks are down. But the canned pack in prospect is larger with much of the gain in tomato products.

Retail prices of processed vegetables are likely to average a little higher than a year earlier for the next 8 months, though some items will be lower. Gain is expected from increased costs for canning materials, labor and distribution.

POTATOES. Supplies are heavy and prices are running well below last year. This situation is likely to continue through the fall since the late summer and fall crops are up 12% from last year, and considerably exceed normal market sales.

COTTON. Production prospects declined during September and the crop is estimated at 11.7 million 500-lb. bales, down 430 million from early September, but 700 million above last year. Total cotton supply for 1958-59, in running bales, is estimated at $20\frac{1}{2}$ million, smallest since 1952-53.

Mid-September average of prices received by farmers was highest in nearly 4 years. High quality of marketings and higher support for these qualities raised the price over a year ago.